

EXECUTIVE ORDER
No. 2003 – 23

**IMPLEMENTATION OF EXPENDITURE REDUCTIONS UNDER
SECTION 20 OF ARTICLE V OF THE MICHIGAN CONSTITUTION OF 1963**

WHEREAS, under Section 20 of Article V of the Michigan Constitution of 1963 no appropriation is a mandate to spend, and the Governor, with the approval of the appropriating committees of the House of Representatives and the Senate, shall reduce expenditures authorized by appropriations whenever it appears that actual revenues for a fiscal period will fall below the revenue estimates on which appropriations for that period were based, and the reductions shall be made in accordance with procedures prescribed by law;

WHEREAS, it appears that actual revenues for the fiscal period beginning on October 1, 2003 and ending on September 30, 2004, will fall below the revenue estimates on which appropriations for that period were based, the estimates having been determined by the Legislature as required under Section 31 of Article IV of the Michigan Constitution of 1963;

WHEREAS, pursuant to Section 391 of the Management and Budget Act, 1984 PA 431, MCL 18.1391, on the basis of written information from the State Budget Director and the State Treasurer, it appears that actual revenue will fall below such revenue estimates;

WHEREAS, there is an unanticipated loss of funding that the departments and agencies of state government do not expect to obtain or make up during the current fiscal year;

WHEREAS, expenditure reductions totaling \$231,930,172.00 general fund-general purpose and \$147,899,300.00 special purpose funds are necessary;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, pursuant to the authority vested in me by the Michigan Constitution of 1963 and Michigan law, and with the approval of a majority of members of each appropriations committee, order the following reductions:

A. Portions of general fund-general purpose appropriations amounting to \$200,937,582.00 contained in the following public acts are hereby reduced. Where the expenditure reductions of general fund-general purpose appropriations in this order reduce the restricted portions of gross appropriations and sources of financing that will be earned, the amounts to be reduced shall be provided separately to the State Budget Director for approval and entry into the accounts.

Public Act	Department	Reduction Amount
2003 PA 157	Agriculture	1,119,800
2003 PA 161	Attorney General	750,000
2003 PA 193	Capital Outlay	29,000,000
2003 PA 169	Career Development	371,726
2003 PA 161	Civil Rights	463,042
2003 PA 161	Civil Service	220,063
2003 PA 146	Community Colleges	12,434,500
2003 PA 159	Community Health	5,090,400
2003 PA 167	Consumer and Industry Services	704,382
2003 PA 154	Corrections	6,044,819
2003 PA 145	Education	332,800
2003 PA 171	Environmental Quality	3,135,525
2003 PA 172	Family Independence Agency	32,260,400
2003 PA 144	Higher Education	73,172,000
2003 PA 160	History, Arts and Libraries	583,100
2003 PA 161	Management and Budget	500,000
2003 PA 169	Michigan Strategic Fund	2,175,791
2003 PA 156	Military and Veterans Affairs	970,000
2003 PA 147	Natural Resources	712,000
2003 PA 161	State	288,249
2003 PA 149	State Police	12,876,271
2003 PA 161	Treasury	<u>17,732,714</u>
		200,937,582

The Department of Information Technology shall reduce user charges to state agencies consistent with reductions in appropriations for information technology services and projects contained in Section B.

B. The reduction totals for the departments and agencies in Section A include the following appropriation items or are predicated upon the following actions:

1. Department of Agriculture

Appropriation Number	Item	Reduction Amount
01005	Commissions and boards	10,000
01070	Executive direction	85,000
01210	Management services	115,433
01250	Agriculture development, marketing and emergency management	120,200
02205	Pesticide and plant pest management	312,918
02320	Animal health and welfare	91,783
02490	Food safety and quality assurance	67,133
02530	Laboratory analysis program	86,433
03120	Environmental stewardship	170,000
03908	Local conservation districts	60,900
		<hr/> 1,119,800

The amount in Section 604(a) of 2003 PA 157 for Local Conservation District training is reduced to \$20,300.00.

2. Department of Attorney General

Appropriation Number	Item	Reduction Amount
01040	Attorney general operations	722,100
05000	Prosecuting attorneys coordinating council	27,900
		<hr/> 750,000

The amount in Section 307(3) of 2003 PA 161 for carryforward of unexpended funds is reduced to \$200,000.00.

3. Capital Outlay

Appropriation Number	Item	Reduction Amount
01738	State building authority rent - state agencies	13,342,700
01739	State building authority rent - department of corrections	7,118,900
01737	State building authority rent - universities	8,538,400
		<hr/> 29,000,000

4. Department of Career Development

Appropriation Number	Item	Reduction Amount
03001	Administration	61,533
03012	Workers' compensation	2,309
09520	Employment training services	218,378
09502	Michigan career and technical institute	34,966
07303	Career and technical education	20,344
07301	Postsecondary education	21,355
07302	Adult education	5,429
07304	Commission on Spanish-speaking affairs	7,412
		<hr/> 371,726

Expenditure reductions for the Department of Career Development include reductions for functions and programs transferred to the Department of Labor and Economic Growth effective December 7, 2003, pursuant to Executive Order 2003-18.

5. Department of Civil Rights

Appropriation Number	Item	Reduction Amount
01000	Civil rights operations	463,042
		<hr/> 463,042

6. Department of Civil Service

Appropriation Number	Item	Reduction Amount
19200	Agency services	150,000
19300	Human resources/administrative support	70,063
		<hr/> 220,063

7. Community Colleges

Appropriation Number	Item	Reduction Amount
07600	Alpena Community College	215,900
07605	Bay de Noc Community College	208,700
07610	Delta College	583,800
07620	Glen Oaks Community College	98,000
07625	Gogebic Community College	178,600
07630	Grand Rapids Community College	734,400
07635	Henry Ford Community College	895,000
07645	Jackson Community College	495,400
07650	Kalamazoo Valley Community College	505,500
07655	Kellogg Community College	397,100
07660	Kirtland Community College	120,500
07665	Lake Michigan College	213,700
07670	Lansing Community College	1,269,900

07675	Macomb Community College	1,355,000
07680	Mid Michigan Community College	180,800
07685	Monroe County Community College	175,900
07690	Montcalm Community College	127,200
07615	C.S. Mott Community College	642,100
07695	Muskegon Community College	365,400
07700	North Central Michigan College	123,800
07705	Northwestern Michigan College	372,800
07710	Oakland Community College	854,800
07715	St. Clair County Community College	286,300
07720	Schoolcraft College	501,700
07725	Southwestern Michigan College	269,300
07730	Washtenaw Community College	509,900
07735	Wayne County Community College	659,100
07740	West Shore Community College	93,900
		<hr/> 12,434,500

8. Department of Community Health

Appropriation Number	Item	Reduction Amount
01191	Departmental administration and management	373,500
01130	Mental health/substance abuse program administration	429,500
11230	Executive administration	30,000
11254	Vital records and health statistics	9,800
16753	Sexually transmitted disease control management and field support	58,300

16230	Laboratory services	86,500
15155	Epidemiology administration	11,500
14230	Community living, children, and families administration	67,200
14330	Children's special health care services administration	15,600
22100	Drug control policy	38,500
46502	Office of services to aging administration	34,800
34010	Medical services administration	499,800
51601	Grants administration services	414,500
33550	Health plan services	1,000,000
04000	Center for forensic psychiatry	200,000
02999	Civil service charges	300,000
01755	Closed site, transition, and related costs	500,000
11232	Workers' compensation program	1,000,000
01061	Community health advisory council	20,900
		<hr/>
		5,090,400

9. Department of Consumer and Industry Services

Appropriation Number	Item	Reduction Amount
06001	Adult foster care, children's welfare and day care licensure	354,382
17001	Operations	350,000
		<hr/>
		704,382

Expenditure reductions for the Department of Consumer and Industry Services include reductions for functions and programs transferred to the Department of Labor and Economic Growth and the Family Independence Agency effective December 7, 2003, pursuant to Executive Order 2003-18.

10. Department of Corrections

Appropriation Number	Item	Reduction Amount
01070	Human resources	224,400
10370	DOJ, psychiatric plan - MDCH mental health services	1,150,000
10366	DOJ, psychiatric plan - MDOC staff and services	1,100,000
16381	Hospital and specialty care services	700,000
17530	Southeastern region clinical complexes	500,000
17520	Southwestern region clinical complexes	250,000
46002	Alger maximum correctional facility - Munising	1,900
47002	Baraga maximum correctional facility - Baraga	8,000
49002	Chippewa correctional facility - Kincheloe	131,619
50002	Kinross correctional facility - Kincheloe	13,300
54002	Newberry correctional facility - Newberry	200
52002	Oaks correctional facility - Eastlake	13,200
55002	Ojibway correctional facility - Marenisco	2,700
56002	Pugsley correctional facility - Kinglsey	9,900
53002	Standish maximum correctional facility - Standish	5,400
35002	Cooper Street correctional facility - Jackson	400
79002	Gus Harrison correctional facility - Adrian	284,147

80002	Thumb correctional facility - Lapeer	1,024,500
48002	Carson City correctional facility - Carson City	50,600
76002	Florence Crane correctional facility - Coldwater	5,600
63002	Deerfield correctional facility - Ionia	1,300
64002	Riverside correctional facility - Ionia	502,719
69002	St. Louis correctional facility - St. Louis	64,934
		<hr/> 6,044,819

11. Department of Education

Appropriation Number	Item	Reduction Amount
03801	Information technology operations	42,800
04801	School excellence operations	221,000
07501	Government services operations	49,900
07601	Safe schools operations	19,100
		<hr/> 332,800

12. Department of Environmental Quality

Appropriation Number	Item	Reduction Amount
01345	Building occupancy charges	1,907,125
01346	Rent-privately owned property	128,400
01150	Information technology services and projects	1,100,000
		<hr/> 3,135,525

13. Family Independence Agency

Appropriation Number	Item	Reduction Amount
11010	Salaries and wages	130,200
11040	Contractual services, supplies, and materials	157,500
11110	Commission on disability concerns	14,700
11210	Commission for the blind	7,700
11220	Youth low-vision program	18,200
11350	Demonstration projects	72,900
11820	Other unclassified salaries	11,000
12050	Travel	40,800
12060	Equipment	325,800
12070	Rent	118,000
12080	Payroll taxes and fringe benefits	144,800
12250	Grand tower facility reimbursement	426,600
14100	Disability determination operations	35,300
14200	Medical consultation program	110,400
16100	Information technology services and projects	250,000
16500	Child support automation	11,600,000
32550	Day care services	11,000,000
32580	State supplementation administration	131,000
47400	Juvenile justice operations	3,278,000
47700	Juvenile accountability incentive block grant	4,500
47800	Committee on juvenile justice administration	13,800

62040	Contractual services, supplies, and materials	612,500
62510	Volunteer services and reimbursement	63,000
62610	Field staff, salaries and wages	2,142,100
72040	Contractual services, supplies, and materials	26,600
72260	Family preservation and prevention services	2,100
72420	Youth in transition	72,700
72530	Child care fund administration	40,400
72540	Community support services	166,400
72760	Adoption support services	2,700
81010	Salaries and wages	167,300
81040	Contractual services, supplies, and materials	379,400
81550	Wage employment verification reporting	197,600
81700	Training and staff development	99,000
83100	Child support operations	328,700
83400	Child support distribution computer system	68,700
		<hr/> 32,260,400

Expenditure reductions for the Family Independence Agency include reductions for functions and programs transferred to the Department of Labor and Economic Growth effective December 7, 2003, pursuant to Executive Order 2003-18.

The amount in Section 657(3) of 2003 PA 172 for before-or-after-school pilot programs is reduced to \$2,550,000.00.

14. Higher Education

Appropriation Number	Item	Reduction Amount
01001	Central Michigan University	4,077,100
01501	Eastern Michigan University	3,943,700
02001	Ferris State University	2,498,400
02501	Grand Valley State University	2,954,300
04001	Lake Superior State University	642,100
03001	Michigan State University	14,669,200
03501	Michigan Technological University	2,485,900
04501	Northern Michigan University	2,340,600
03201	Oakland University	2,454,400
05001	Saginaw Valley State University	1,333,700
05501	University of Michigan - Ann Arbor	16,360,300
05801	University of Michigan - Dearborn	1,259,700
05701	University of Michigan - Flint	1,083,100
06501	Wayne State University	11,414,000
06001	Western Michigan University	5,655,500
		<hr/> 73,172,000

The amount in Section 401 of 2003 PA 144 is reduced to \$5,434,400.00.

15. Department of History, Arts and Libraries

Appropriation Number	Item	Reduction Amount
01100	Management services	25,000
05000	Information technology services and projects	99,000
03050	Library of Michigan operations	144,100
02001	Administration	31,300

04100	Historical administration and services	206,900
01400	Office of film and television services	5,000
07511	Mackinac Island state park operations	71,800
		<hr/> 583,100

The amount in Section 505 of 2003 PA 160 for historical administration and services is reduced to \$49,700.00.

16. Department of Management and Budget

Appropriation Number	Item	Reduction Amount
12000	Administrative services	201,400
14000	Office of the state employer	61,100
00005	Information technology services and projects	237,500
		<hr/> 500,000

The Department of Management and Budget shall reduce building occupancy general fund expenditures by \$5,900,000.00. The State Budget Director is authorized to take any and all actions necessary to properly record expenditure reductions as part of the financial transactions for the fiscal year ending September 30, 2004.

17. Michigan Strategic Fund

Appropriation Number	Item	Reduction Amount
01100	Job creation services	654,891
01000	Administration	1,520,900
		<hr/> 2,175,791

Expenditure reductions for the Michigan Strategic Fund include reductions for functions and programs transferred to the Department

of Labor and Economic Growth effective December 7, 2003, pursuant to Executive Order 2003-18.

18. Department of Military and Veterans Affairs

Appropriation Number	Item	Reduction Amount
03016	Special maintenance – state	200,000
03500	Grand Rapids veterans' home	570,000
03700	D.J. Jacobetti veterans' home	200,000
		<hr/> 970,000

19. Department of Natural Resources

Appropriation Number	Item	Reduction Amount
01001	Executive direction	25,000
01093	Unclassified salaries	22,100
01126	Human resources	56,900
01107	Office of financial services	150,000
01105	Program assistance and review	30,000
01104	Office of land and facilities	243,000
01103	Education and outreach	25,000
03116	General law enforcement	160,000
		<hr/> 712,000

20. Department of State

Appropriation Number	Item	Reduction Amount
10920	Unclassified positions	5,000
19050	Customer services administration	42,221
19100	Branch operations	128,246
19200	Central records	30,429

45500	Information technology services and projects	82,353
		<hr/> 288,249

21. Department of State Police

Appropriation Number	Item	Reduction Amount
11010	Executive direction	59,700
10950	Unclassified positions	20,000
51140	Fleet leasing	700,000
16010	Human resources	19,900
15010	Management services	32,600
22010	Training administration	55,800
37400	Communications	153,300
11210	State program planning and administration	10,071
41140	Traffic safety	17,600
42010	Laboratory operations	291,500
22210	Standards and training	18,100
27010	Fire marshal programs	176,500
28010	Emergency management planning and administration	36,700
32010	Uniform services	1,944,900
37100	Operational support	79,600
37300	Aviation program	39,800
34010	Criminal investigations	600,400
34160	Federal antidrug initiatives	9,900
36220	School bus inspection	9,900
32500	At-post troopers	8,600,000
		<hr/> 12,876,271

22. Department of Treasury

Appropriation Number	Item	Reduction Amount
01301	Workers' compensation insurance premium	32,714
01314	Travel	300,000
01308	Rent and building occupancy charges	100,000
01800	Finance and accounting	300,000
08340	Clean Michigan initiative	17,000,000
		<hr/> 17,732,714

C. Portions of appropriations financed with special purpose revenue amounting to \$147,899,300.00 contained in the following public acts are reduced as follows:

Public Act	Department	Reduction Amount
2003 PA 169	Career Development	6,000,000
2003 PA 145	Education	6,100,000
2003 PA 172	Family Independence Agency	773,500
2003 PA 144	Higher Education	63,000,000
2003 PA 161	Treasury	<u>72,025,800</u>
		147,899,300

D. The reduction totals for the departments and agencies in Section C include the following appropriation items or are predicated upon the following actions:

1. Career Development - Temporary Assistance for Needy Families - Federal Funds

Appropriation Number	Item	Reduction Amount
08230	Welfare-to-work programs	<hr/> 5,000,000
		5,000,000

2. Career Development - Tobacco Settlement Trust Fund

Appropriation Number	Item	Reduction Amount
08221	Council of Michigan foundations	1,000,000
		<hr/> 1,000,000

3. Education - Driver Fees Revenue

Appropriation Number	Item	Reduction Amount
03652	Driver education	6,100,000
		<hr/> 6,100,000

4. Family Independence Agency - Child Support Enforcement System Penalty Refund Revenue

The amounts in Section 413 of 2003 PA 172 are reduced as follows:

Subsection (1)(a), community-based innovation grants is reduced to: 0

Subsection (1)(f), supervised parenting time centers is reduced to: 0

Subsection (1)(h), school-based demonstration project is reduced to: 0

Subsection (1)(i), at-risk males of color networks is reduced to: 0

Subsection (1)(o), teen pregnancy prevention project is reduced to: 0

5. Higher Education - Michigan Merit Award Trust Fund

Appropriation Number	Item	Reduction Amount
80000	Michigan merit award program	63,000,000
		<hr/> 63,000,000

6. Treasury - Sales Tax Revenue

Appropriation Number	Item	Reduction Amount
09466	Statutory state general revenue sharing grants	72,025,800
		<hr/> 72,025,800

E. The following general fund-general purpose amounts from work project or capital outlay accounts, totaling \$30,992,590.00, are hereby reduced:

Appropriation Number (Appropriation Year)	Item	Reduction Amount
74306 (AY 98)	Capital Outlay: Major special maintenance and remodeling for department of management and budget	6,322
74404 (AY 99)	Capital Outlay: Major special maintenance and remodeling for department of management and budget	448,534
74418 (AY 99)	Capital Outlay: Major special maintenance of remodeling for state agencies	8,929,381
74527 (AY 01)	Capital Outlay: Major special maintenance and remodeling for department of management and budget	2,844,000
29507 (AY 02)	Department of Corrections: Capacity enhancements	7,300,984
19200 (AY 01)	Department of State: Implementation of Uniform Commercial Code standards	251,297
16500 (AY 03)	Family Independence Agency: Child support automation	4,838,400

16250 (AY 03)	Family Independence Agency: Data system enhancement	3,000,000
28180 (AY 01)	Department of State Police: Grants for disaster assistance	1,676,572
09470 (AY 01)	Department of Treasury: Tax increment finance authority	1,197,000
09470 (AY 02)	Department of Treasury: Tax increment finance authority	500,100
		<hr/> 30,992,590

The State Budget Director is authorized to take any and all actions necessary to implement the provisions of this Order to reduce expenditures authorized by appropriations as specified above for the fiscal year beginning on October 1, 2003 and ending on September 30, 2004.

This Order is effective upon approval by the appropriations committees of the House of Representatives and the Senate, as provided under Section 391 of the Management and Budget Act, 1984 PA 431, MCL 18.1391.

Given under my hand and the Great Seal of
the State of Michigan this 10th day of
December, 2003.

JENNIFER M. GRANHOLM
GOVERNOR

BY THE GOVERNOR:

SECRETARY OF STATE